

Part 2 Chapter 3: INVESTIGATIONS AND HEARINGS.

Rule 5.4 Compliance With Miss. Code Ann. §75-76-211.

- (a) The Commission may request persons, affiliated entities and greater than 5% equity owners to submit an application for finding of suitability pursuant to Miss. Code Ann. Section 75-76-211 (1972).
- (b) Any person, entity and greater than 5% equity owner required or requested to submit an application for finding of suitability to the Commission must submit such within the thirty (30) days provided by Miss. Code Ann. §75-76-211. The term Entity includes, but is not limited to, corporation, general partnership, limited partnership, limited liability company, revocable trust and irrevocable trust.
- (c) Any person, entity and greater than 5% equity owner may be found unsuitable by the Commission and it shall constitute grounds for denial of any subsequent application by such person, entity and greater than 5% equity owner. The corporate licensee may be deemed to have failed to require the submission of an application for finding of suitability by such person, entity and greater than 5% equity owner in violation of Miss. Code Ann. §75-76-211.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

Rule 5.5 Approvals Required.

The following transactions involving corporate licensees are ineffective unless approved in advance by the Commission:

- (a) Any act or transaction by virtue of which any other corporation or other form of business organization becomes a controlled affiliate of a corporate licensee;
- (b) Any act or transaction by virtue of which any other corporation or other form of business organization becomes under common control with a corporate licensee, unless the corporation or other business organization is wholly owned by a licensee, by persons who are licensed or who have been found suitable with respect to ownership of the corporate licensee, or by any combination thereof;
- (c) The imposition of any restriction on the transfer of an equity security issued by a corporate licensee, whether imposed by the issuer or by the holder or by any other person, except the following:
 - 1. Any restriction on resale which is required for compliance with the Federal Securities Act, or the Federal Securities Exchange Act, or a general securities law of any state;

2. Any restriction which results from a "stop transfer order" given to a transfer agent by the holder of a security on the grounds that the certificate has been lost or stolen; and
3. Any restriction which arises from a binding contract to sell or hypothecate a security in a current transaction which will be consummated, if at all, in nine months or less.

(d) Any guarantee of securities issued by a corporate licensee pursuant to a public offering or private placement and any hypothecation of assets by a corporate licensee to secure the payment or performance of obligations evidenced by securities issued pursuant to a public offering or private placement, except where continuous or delayed approval has been granted pursuant to Part 2, Rule 8.7.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*